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SUBJECT: THE ARGENTINE GOVERNMENT AND THE MEDIA: BIASED
REPORTING, CONSPIRACY AND MONOPOLY CONCERNS?

REF: BUENOS AIRES 486

Classified By: Ambassador E. Anthony Wayne for reasons 1.4 (B) and (D).

¶1. (C) Summary: Argentine government is continuing its crusade to pressure the media group Clarin over allegedly biased reporting, and questioning its powerful position in the print, TV, cable and radio. While others in the media share concerns about Clarin's dominant position, observers generally sees this as an effort by the government to win more favorable treatment by the media, rather than an example of distorted media coverage. The media here continues to exercise a great deal of freedom. Nonetheless, given the intensity of the government's campaign and its plans to introduce a new media law, the embassy will watch the situation closely for indications of significant infringements on press freedom. End summary.

Government Criticisms and Pressures

¶2. (SBU) Following what it considered biased coverage during the recent rural sector strike and sympathetic urban demonstratios, Argentina's government has once again begun to criticize and put pressure on the media (reftel). Former President Nestor Kirchner (NK) did this often during his term in office, even calling out journalists by name for criticism, and his wife and now President Cristina Fernandez de Kirchner (CFK) had also in the past denounced critical press coverage. In recent weeks, CFK has repeatedly lashed out at what she describes as unfair, provocative, and unbalanced news coverage, focusing particularly on the largest media group, Clarin. But the government's pressure is going far beyond her words and the potential impact far beyond Clarin.

¶3. (SBU) CFK's husband, Nestor Kirchner (NK), and their son have participated in protests with Kirchner supporters against the Clarin daily paper and its 24-hour TV news channel, Todo Noticias (TN). CFK met with a local university dean critical of press coverage and discussed giving the dean's faculty a role in reviving a government media monitoring unit to identify biased and discriminatory reporting for possible sanction. The government has revived draft legislation to update telecommunications regulation, which among other things would establish new limits on the amount of media ownership allowed. The proposed new law (apparently, there is no government-blessed draft yet) seems aimed in good part at limiting Clarin's presence in TV, print, cable, and radio, but it may well seek to provide media access to a number of social actors. CFK met with friendly union leaders this week, for example, to get their support for the new law; they expressed a desire to have more access to TV and radio for their points of view.

¶4. (SBU) As part of this effort, the government named a new chief of the media oversight authority, COMFER, accompanied

by credible reports that the old chief resigned after he refused to participate in the anti-media pressure campaign. The new head of COMFER issued a resolution that moved Clarin's news channel to a less favorable location on the cable channel line-up as of May 1, among other changes, and he is helping guide the preparation of the new broadcasting law. He also told the press he thought the government should increase its share of the paper plant used by Clarin and the Conservative daily La Nacion to produce their daily papers. Nestor Kirchner's former chauffeur, now a wealthy businessman, is rumored to be interested in buying another top open-air channel, Telefe, owned by Spanish phone company Telefonica, while rumors spread that the government is also weighing in against a Clarin agreement with the Spanish-owned Telecom phone service company to allow Clarin to participate in TV to cellular broadcasting. The media is reporting that other, similarly motivated moves are under consideration. Not surprisingly, Clarin's stock has dropped in value recently.

The Media Responds

15. (C) All of this has set off a series of critical rebuffs from local media, commentators, and press/reporters' associations defending freedom of the press and lambasting the Kirchners, tendencies to see conspiracy rather than normal vigorous reporting. An editor of Clarin told the Ambassador April 19 that the company had no clear idea why the Kirchners decided to go after them. As they see it, there was no particular attack by Clarin. "We were just reporting the news, and their criticisms came as a surprise. We can only assume that they wanted to have an enemy to go after other than the people in the street; plus they probably want a tame media for the next few years," he said.

State of the Press and its Role

16. (C) There is still plenty of press freedom in Argentina -- as is evinced by all of the debate and coverage over what the GoA is doing or is rumored to be doing with respect to the media. The GOA has not closed any media outlets. Indeed, a prominent journalist, Jorge Lanata, recently launched a newspaper, "Critica," that appears to be living up to its name by regularly taking on the government with its articles and its sarcastic cover pages. Nor have journalists been imprisoned or charged under existing statutes. Access to the Internet is not restricted. Some journalists allege the GOA has illegally wiretapped their telephone conversations, however. We can see where the Kirchners might be tempted to take some measures against the press if the political situation deteriorates, but we also expect there would be considerable blowback if they were to do so in this highly literate society.

17. (C) There is no question that some media outlets and dailies tend to criticize the government, and that there is more focus on rumors and unchecked assertions than the best media standards would call for. But, since the opposition political parties in Argentina are so weak, the media (radio and print primarily) tend to be the main purveyors of alternative views of what is happening, providing an even more valuable role than is the case in many democracies. In general, the media is pretty well behaved and quite tame in comparison to many countries in carrying out its role. The media's general willingness/ability to do serious investigative reporting is limited. Most of the media tends to shy away from serious confrontations with the government. For example, Clarin is generally seen as middle-of-the-road, sometimes critical but at other times supportive of the government. La Nacion and the weeklies Noticias and Perfil are more consistently critical.

18. (C) While reporting of the recent rural sector strike tended to betray sympathy for the protesting farmers and their allies, it did not seem to us to tilt further than we have seen in many other democracies. Rather, the main fault

of the media has been to play up sharply the missteps of the government's handling of this crisis, the popular protests that resulted, and what it all revealed about the GoA's weaknesses. Journalists did what they do in most democracies; they saw the mood shifting and they report on that shift. On the other hand, the government news agency Telam apparently never carried a report about the thousands of Buenos Aires citizens who took to the streets banging pots and pans in support of the farmers.

¶9. (C) We intend to keep a close eye on what the government does in the weeks and months ahead vis--vis the media. Press freedom is vital to Argentine democracy already marked by relatively weak institutions.

Dominant Role Played by Clarin?

¶10. (C) The ironic part of this current conflict is that the government has a point about the Clarin group. It does have a tremendous amount of clout because of its dominant presence in print, TV, cable, and radio. Many other media actors have decried this fact to us in the past. NK, in fact, granted approvals as president that allowed the Clarin Group to grow significantly, including a ten-year television/radio license and a cable merger that gave it the dominant position in the sector. In exchange, Clarin supposedly had been limiting its anti-government coverage. Argentines commonly say that Clarin can bring down governments, and refer to the paper's strong campaigns prior to the downfall of Menem and De la Rúa. Our strong suspicion, however, is that the government is motivated today by revenge and a desire for a tame media, not defense of a plurality of view points.

Views from Media Players

¶11. (SBU) For those who would like to see a bit of the perspective of some media owners and writers in Argentina, we include below a few insights from the many conversations we have had with these individuals in recent weeks. Some of them are the very best analysts of what is going on in Argentina and the Kirchners' approach to political life. We draw on insights of these media figures and their colleagues to understand better local developments. Highlights follow:

¶12. (C) America TV: The owner and news director of America TV, Daniel Vila and Roman Lejtman. This network includes a string of daily papers (UNO) in the interior as well as radio

stations and a cable TV system in the provinces. Their self-described goal is to chip away at the Clarin group's dominance of the market:

-- CFK's initial messages on the agricultural crises and the tax increases went right over people. She had too many sophisticated concepts and too few facts. She didn't connect with the people, but her tough, combative rhetoric set people off, and deepened the resentment held by a number of different groups.

-- The big process problem with this government is that the President relies on a group of four people to make decisions -- herself, Nestor Kirchner (NK), Cabinet Minister Alberto Fernandez (AF), and advisor Carlos Zannini. They thus don't get a sense of what people are thinking and misread sectors of society. They don't have a feel for what is really happening on the ground. That is what happened with the rural strike. When you combine this with the fact that there is no channel or process for dialogue and debate, people go to the streets. This is a very dangerous situation.

-- America TV anticipated that something like this social outcry would happen about six months into CFK's term, but this crisis happened sooner than expected. The current situation is similar to what happened to President Menem in the 1990s. Menem was reelected with a large majority, but lost much popularity within six months of reelection. Today,

many in Argentina see CFK's term as a continuation of her husband's, not a new one. They appreciated what NK did for Argentina economically in the last four years, but they also see Argentina in a new situation today. This is not the same situation as when Argentina was coming out of that economic crisis. They want some changes in the way they are governed.

-- In the media, the Clarin group is dominant. This is bad for democracy and competition. America TV thinks it can compete, building on its strength in the provinces to create an audience in BA by providing "real" news and a variety of opinions which they think other channels don't do well.

¶13. (C) Clarin: Commentator Eduardo Van Der Kooy:

-- Before the agricultural sector crisis, CFK and NK were very pleased with how they operated. They were convinced that their style and decisions were right and justified. This was a very dangerous attitude. Thus far, CFK has not distinguished herself from NK, except that she has more interest in good relations with the United States and other countries. It doesn't seem that CFK and her very small circle of decision-makers have the vision today to make policy changes needed. It is very unwise to rely on only three or so other advisors to make decisions.

-- CFK and NK have differences, but they are not that different. This invites mistakes. It is far from clear that they have any idea of how to get out of the corner they are in on inflation and INDEC statistics, for example, and it looks like they are scared of letting the real numbers come out. It is not at all evident that they have an economic strategy to control inflation. The conflict with the agricultural community is a key test of their ability to manage for the three-plus years ahead.

¶14. (C) Clarin: Editor Ricardo Kirschbaum, speaking just before the ag srike and before the increase of government pressure on Clarin, said:

-- The government has much going for it with high commodity prices and it may be able to successfully keep wage increases around 20%, which will help control inflation. But the government is making a mistake by not paying any attention to the middle classes. They will mobilize at some point if the government does not engage them positively. Eventually, the decision not to embrace the middle class will cost the government dearly. It is far from clear that CFK will make any big changes in her government in order to differentiate it from NK's, unless forced to do so by a crisis.

-- Pressure on the press is less under CFK, but it is still there and will remain because the press serves in the role filled in other democracies by opposition actors. Clarin shows its independence more selectively than La Nacion, whose reader base is more consistently anti-government, but Clarin still regularly takes on the government over selected issues.

¶15. (C) C5N TV: Daniel Haddad is owner of the 24-hour news TV C5N, popular local radio and an internet news site. He has worked closely with NK for years and has built a pro-Kirchner news media group thanks to these ties to the GoA. He is rumored to be a potential beneficiary of the government-Clarin battle, as the government might give him and America TV (above) more space to operate to counter Clarin. He told the Ambassador that:

-- NK is still calling the shots in the new government, including tactics for dealing with crises. CFK has not asserted her independence.

-- The government still uses many levers to get its way with the press; that has not changed under CFK.

-- The Clarin group uses its dominant media position to assert its sway over other media; that should be addressed.

¶16. (SBU) Bernardo Neustadt, historically famous journalist

and commentator (something like Argentina's Walter Cronkite). Today, he writes weekly for the daily Ambito Financiero, which is critical of the government and of the Clarin group's dominance:

-- Argentina suffers from a lack of civic culture. It should send several hundred young people each year to the United States to experience U.S. politics at all levels and to bring that participatory civic attitude back to Argentina.

-- The current government acts like a mafia to get its way and to divide up spoils. Corruption is not worse than during President Menem's years, but it is much better organized and controlled by the governing elite. The real challenge is that corruption is not just a government problem; it is a society-wide problem. That is why the need is for long-term reform and change to a really democratic society with civic participation.

-- In the media, the dominance of the Clarin group in print, radio, and TV is a serious threat to pluralism and press liberty.

¶17. (C) La Nacion: Joaquin Morales Sola, influential columnist for the conservative daily La Nacion and weekly television host on Clarin,s news channel, TN:

-- At present, it is not clear who is in charge of the government - Nestor or Cristina. Nestor calls ministers about as often as CFK and gives them orders.

-- There is an ongoing battle in the government between those aligned to Nestor and those to CFK. This is a recipe for continuing troubles, especially when combined with the way the key decision-makers are cut off from what is really going on in the country.

WAYNE